



6714-01-P

FEDERAL DEPOSIT INSURANCE CORPORATION

**Agency Information Collection Activities: Submission for OMB Review; Comment Request
Regarding the National Survey of Unbanked and Underbanked Households (3064-0167)**

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Notice of information collection to be submitted to OMB for review and approval under the Paperwork Reduction Act of 1995.

SUMMARY: The FDIC, as part of its continuing effort to reduce paperwork and respondent burden and as required by the Paperwork Reduction Act of 1995, invites the general public and other Federal agencies to comment on the survey collection instrument for its fourth National Survey of Unbanked and Underbanked Households (2015 Household Survey), currently approved under OMB Control No. 3064-0167, scheduled to be conducted in partnership with the U.S. Census Bureau as a supplement to its June 2015 Current Population Survey (CPS). The survey seeks to estimate the proportions of unbanked and underbanked households in the U.S. and to identify the factors that inhibit the participation of these households in the mainstream banking system, and opportunities to expand the use of banking services among underserved consumers. The results of these ongoing surveys will help policymakers and bankers understand the issues and challenges underserved households perceive when deciding how and where to conduct financial transactions.

DATES: Comments must be submitted on or before **[INSERT DATE 30 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Interested parties are invited to submit written comments by any of the following methods. All comments should refer to “National Survey of Unbanked and Underbanked Households”:

- <http://www.FDIC.gov/regulations/laws/federal/>.
- *E-mail:* comments@fdic.gov. Include the name and number of the collection in the subject line of the message.
- *Mail:* Gary Kuiper, Counsel, (202.898.3877), MB-3074, or John Popeo, Counsel, (202.898.6923), MB-3007, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, DC 20429.
- *Hand Delivery:* Comments may be hand-delivered to the guard station at the rear of the 550 17th Street Building (located on F Street), on business days between 7:00 a.m. and 5:00 p.m.

FOR FURTHER INFORMATION CONTACT: Interested members of the public may obtain a copy of the survey and related instructions by clicking on the link for the National Unbanked and Underbanked Household Survey on the following web page: <http://www.fdic.gov/regulations/laws/federal/>. Interested members of the public may also obtain additional information about the collection, including a paper copy of the proposed collection and related instructions, without charge, by contacting Gary Kuiper or John Popeo at the address or telephone numbers identified above.

SUPPLEMENTARY INFORMATION:

The FDIC is requesting OMB approval to revise the following collection of information:

Title: National Unbanked and Underbanked Household Survey.

OMB Number: 3064-0167.

Frequency of Response: Once.

Affected Public: U.S. Households.

Estimated Number of Respondents: 42,000.

Average time per response: 12 minutes (0.2 hours) per respondent.

Estimated Total Annual Burden: 0.2 hours x 42,000 respondents = 8,400 hours.

General Description of Collection

The FDIC recognizes that public confidence in the banking system is strengthened when banks effectively serve the broadest possible set of consumers. As a result, the agency is committed to increasing the participation of unbanked and underbanked households in the financial mainstream by ensuring that all Americans have access to safe, secure, and affordable banking services. These National Surveys of Unbanked and Underbanked Households are one contribution to this end.

These National Surveys of Unbanked and Underbanked Households are also a key component of the FDIC's efforts to comply with a Congressional mandate contained in section 7 of the Federal Deposit Insurance Reform Conforming Amendments Act of 2005 ("Reform Act") (Pub. L. 109-173), which calls for the FDIC to conduct ongoing surveys "on efforts by insured depository institutions to bring those individuals and families who have rarely, if ever, held a checking account, a savings account or other type of transaction or check cashing account at an insured depository institution (hereafter in this section referred to as the 'unbanked') into the conventional finance system." Section 7 further instructs the FDIC to consider several factors in its conduct of the surveys, including: (1) "what cultural, language and identification issues as well as transaction costs appear to most prevent 'unbanked' individuals from establishing conventional accounts," and (2) "what is a fair estimate of the size and worth of the 'unbanked' market in the United States." The 2015 Household Survey is designed to address these factors and provide a factual basis on the proportions of unbanked households. Such a factual basis is

necessary to adequately assess banks' efforts to serve these households as required by the statutory mandate.

To obtain this information, the FDIC partnered with the U.S. Census Bureau, which administered the Household Survey supplement ("FDIC Supplement") to households that participated in the January 2009, June 2011, and June 2013 CPS. The results of these surveys were released to the public in December 2009, September 2012, and October 2014, respectively.

The FDIC supplement has yielded nationally-representative data, not otherwise available, on the size and characteristics of the population that is unbanked or underbanked, the use by this population of alternative financial services, and the reasons why some households do not make greater use of mainstream banking services. These National Surveys of Unbanked and Underbanked Households are the only population-representative surveys conducted at the national level that provides state-level estimates of the size and characteristics of unbanked and underbanked households for all 50 states and the District of Columbia. An executive summary of the results of the first three Household Surveys, the full reports, and the survey instruments can be accessed through the following link: <http://www.economicinclusion.gov/surveys/>.

Consistent with the statutory mandate to conduct the surveys on an ongoing basis, the FDIC already has in place arrangements for conducting the fourth Household Survey as a supplement to the June 2015 CPS. However, prior to finalizing the next survey instrument, the FDIC seeks to solicit public comment on whether changes to the existing instrument are desirable and, if so, to what extent. It should be noted that, as a supplement of the CPS survey, the 2015 Household Survey needs to adhere to specific parameters that include limits in the length and sensitivity of

the questions that can be asked of CPS respondents. Specifically, there is a strict limitation on the average time required to complete the survey.

Comment Discussion

On January 22, 2015 (80 FR 3234), the FDIC issued a request for comment on possible revisions to the 2015 Household Survey. The FDIC received three comments related to this survey effort. One of the commenters suggested that the FDIC collect information on household asset levels. The commenter noted that this would allow retail banks that use asset levels in their segmentation and strategy work to easily incorporate data from the 2015 Household Survey into their analyses. The FDIC seeks to provide insights from the 2015 Household Survey to inform efforts to better meet the needs of underserved consumers, and strongly encourages use of the survey data by financial institutions and other stakeholders. The FDIC is concerned that households' asset holdings may be sensitive information for many households and that asking for this information may reduce participation in the survey. In all of the surveys to date, including the 2015 Household Survey, there are no survey questions that ask households for specific dollar amounts regarding saving, assets or spending. The 2015 Household Survey does contain some new questions that will help the FDIC better understand households' savings behavior, including ways in which households save money, and about their ability to meet their monthly obligations. Detailed data on households' asset holdings are available from other sources, such as the Federal Reserve's Survey of Consumer Finances.

One commenter cautioned against the use of online methods for conducting the 2015 Household Survey. The 2015 Household Survey is an interviewer-administered survey conducted by the Census Bureau in-person or by telephone.

One commenter recommended that the 2015 Household Survey retain as many questions as possible from the 2013 Survey, including questions on prepaid cards, direct deposit and reasons for not having a bank account, to allow local and national Bank-On programs to measure the impact of their efforts. The FDIC values the ability to compare results over time and the 2015 Household Survey retains successful elements of the previous surveys, including the core unbanked and underbanked measurements, while also reorganizing and adding questions to gain new insights relevant to serving a diverse range of consumers. The 2015 Household Survey retains many questions from previous surveys and continues to collect information on the use of prepaid cards, direct deposits, and the reasons for not having a bank account.

One commenter suggested the addition of specific questions to measure household financial fragility to help understand the connections between emergency savings and banking access (i.e., household's ability to access \$2000). The 2015 Household Survey does not include this particular question due to the need to keep the average length short to reduce non-response. However, it contains a number of new questions that will help the FDIC better understand households' financial condition. Specifically, the survey will ask about ways in which households save money, their ability to meet their monthly obligations, their income volatility, and their access to mainstream credit.

One commenter suggested collecting information on a wider range of credit products. The 2015 questionnaire added a new section on the use of credit products, including mainstream banking credit products (e.g., credit cards, line of credits) to capture a more complete picture of households' use of credit. However, due to space constraints, questions are focused on mainstream credit products that are more likely to be substitutes for the small-dollar, short-term credit available from alternative financial service providers. The commenter also suggested

collecting more information on the frequency of use of credit and transaction products in order to better understand households' varying intensity of use of these products. This suggestion is in part addressed by the revisions made in the 2015 survey. In addition to the use of financial products in the last 12 months, the proposed survey also asks households about their typical use of these products to better differentiate regular users from one-time users.

The commenter also made suggestions to improve the usability of the online tool for analyzing the survey data that is currently available at www.economicinclusion.gov. These comments are helpful and will be taken into account the next time we consider revising the tools.

One commenter encouraged the FDIC to offer training to municipalities and others on how to use and maximize the opportunities offered by the custom table generator at:

www.economicinclusion.gov. The FDIC's Community Affairs staff work with local stakeholders to disseminate information about how to use and access the survey data, including the use of the table generator tool at: www.economicinclusion.gov. The FDIC will continue to make sure that this information is regularly shared in presentations and outreach materials.

Request for Comment

Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the FDIC's functions, including whether the information has practical utility; (b) the accuracy of the estimates of the burden of the information collection; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the

burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

The FDIC will consider all comments to determine the extent to which the information collection should be modified prior to submission to OMB for review and approval. After the comment period closes, comments will be summarized and/or included in the FDIC's request to OMB for approval of the collection. All comments will become a matter of public record.

Dated at Washington, D.C., this 1st day of April, 2015.

FEDERAL DEPOSIT INSURANCE CORPORATION

Robert E. Feldman,
Executive Secretary.

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